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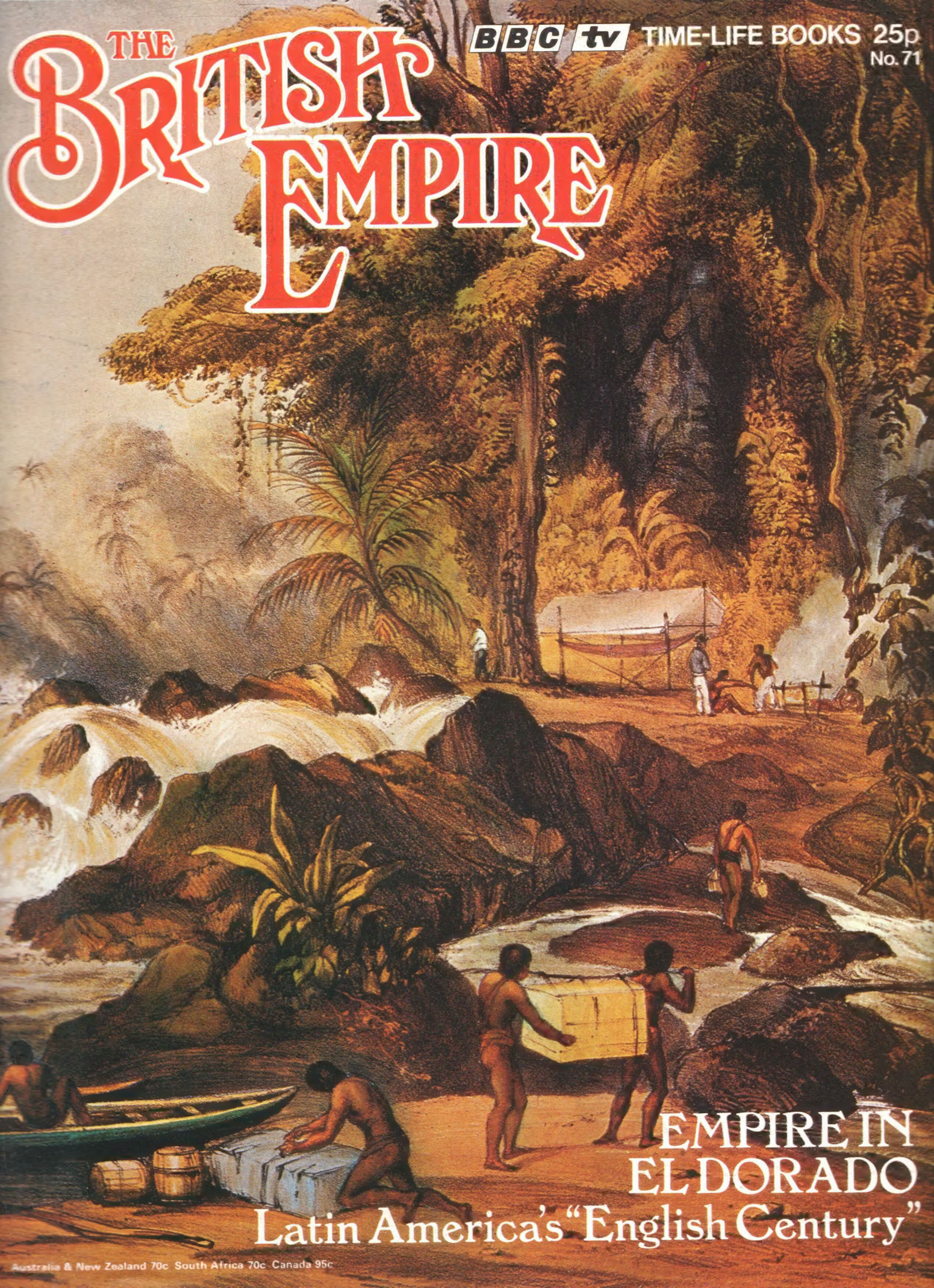

EMPIRE IN EL DORADO

Latin America's "English Century"

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THE BRITISH EMPIRE

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LESLIE BETHELL is Lecturer in Hispanic-American and Brazilian History at University College, London and also teaches at the University of London Institute of Latin-American Studies. He has written a book called *The Abolition of the Brazilian Slave Trade* and a number of articles in academic journals. Since 1960 he has spent four periods of research and travel in Latin America.

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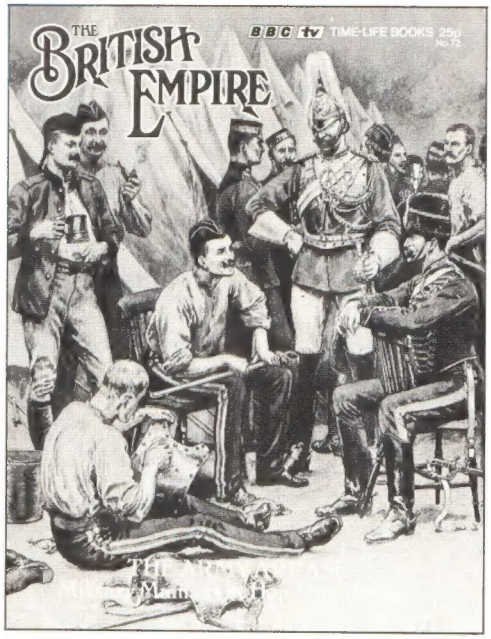

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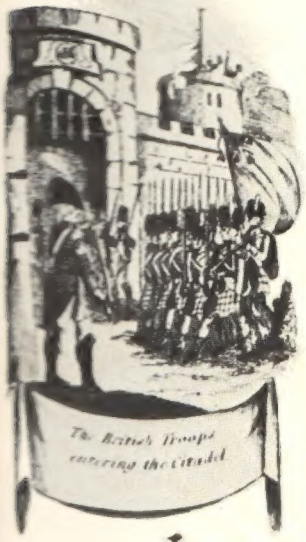


EMPIRE IN EL DORADO

In 1806 Britain invaded Buenos Aires – a prelude, some hoped, to the extension of Empire into Latin America. The attack (recorded in the drawings on the border of this page) was a failure and, apart from the small territories of British Guiana and British Honduras, Britain never again sought a territorial Empire in Latin America. Instead, she sought to tap Latin-America's wealth by trade: indeed, for a century, Brazil, Argentina, Chile and Peru became a veritable El Dorado for British merchants and investors. Rich suburbs sprang up in the large cities – Rio, Valparaiso, Buenos Aires – where thousands of expatriate British, as in the Empire proper, sought to recreate a mirror image of Home in a continent the other side of the world ❧

by Leslie Bethell

"By an express which we have just received from Portsmouth," reported *The Times* on September 13, 1806, "we have to congratulate the Public on one of the most important events of the present war [between England and Napoleonic France]. . . . *Buenos Aires at this moment forms a part of the British Empire.*" The news did, indeed, seem of immense importance. By marching into Buenos Aires, British troops had captured the second largest city in Spanish South America and capital of a vast region, the Viceroyalty of Río de la Plata, which stretched from the Atlantic across to the Andes, and from Patagonia in the far south up to the borders of modern Peru. Half a continent seemed on the point of falling under British influence.

The truth was less dramatic. The news had taken two and a half months to reach London and by the time of its publication had long been overtaken by events. While ministers and businessmen read of victory in *The Times*, the British troops on the spot were either dead, wounded or imprisoned after a bloody and humiliating defeat. Having held the city for less than seven weeks, they had been driven out of Buenos Aires. After a second attempt to capture the city the following year had ended in disaster, the British finally gave up any hope of creating a great Latin-American Empire through force of arms.

But it was not by any means the end of Britain's involvement in Latin America. Though Britain held scattered territories in Latin America – the Falkland Islands, British Guiana and British Honduras – her main influence throughout the 19th Century was economic. Relying on the pound sterling rather than the point of the bayonet, British businessmen, supported by British statesmen, created a vast economic empire, a major market for Britain's manufactured goods, a valued source of food and raw materials and a powerful magnet for British capital investment. By 1913, one-fifth of Britain's overseas investments were tied up in Latin America.

The attack on Buenos Aires and the economic penetration that followed occurred against a long tradition of British involvement in the area. Since the 16th Century, England and the other maritime powers had been casting envious eyes on the immense and wealthy territories that Spain and Portugal had staked out for themselves in Central and South America. In the late 18th and early 19th Centuries, a powerful lobby of politicians, merchants and manufacturers, naval and military officers pressured successive British governments to contemplate the conquest of the area. They argued that direct control would bring strategic advantages and, most important, open up enormous markets to British goods. The favoured point of attack was the River Plate, at or near Buenos Aires.

But the rulers of Britain, faced with the prospect of an open-ended political and military commitment in Latin America, steadfastly rejected it. They felt that existing channels of British trade – legal and illegal – already provided a more or less adequate access to the Spanish-American market.

The idea of capturing Buenos Aires – Britain's first and only armed attempt to usurp the Iberian monopoly – originated in 1806, not among His Majesty's ministers in London, but in the fertile mind of Sir Home Riggs Popham, commander of the English fleet that had taken Cape Town from the Dutch earlier in the year. Popham, a scientifically inclined seaman who had originated the code signals adopted by the Admiralty in 1803, was keen to extend the bounds of Britain's political and commercial empire and had particularly definite views on the part Britain should be playing in Spanish America.

Strongly influenced by a leading agitator for Latin-American independence, Francisco de Miranda, Popham believed it would be easy for Britain to break the Iberian hold over the area by presenting herself as a beneficent successor to the rule of Spain.

Popham persuaded General Sir David Baird, commander of British land forces at the Cape, to support his scheme for seizing Buenos Aires, and at the beginning of June, 1806, a fleet of five warships and five transports under Popham's command arrived from the Cape, by way of St. Helena, and anchored in the muddy waters of the River Plate. On June 25, 1,600 troops under Brigadier-General Viscount William Carr Beresford, Baird's second-in-command, were put ashore at Quilmes, ten miles down the river from Buenos Aires.

The Viceroy, the Marques de Sobremonte, was at the theatre when he heard of the British landings, and immediately fled the capital, which surrendered on June 27 with scarcely any resistance. The British flag was raised over the fort; municipal officials were asked to swear allegiance to the British Crown; moneys from the public treasury were shipped off to London. To conciliate the town's 55,000 inhabitants, Beresford issued a proclamation guaranteeing freedom of property, trade and of religion "similar to that enjoyed by all others of His Majesty's Colonies."

Although Popham and his colleagues had acted without any authority whatsoever from the British government, *The Times* was by no means alone in welcoming the invasion. Recent French military successes threatened to deprive Britain totally of her European markets and the news that half a continent had now been opened up to British trade was greeted with unrestrained enthusiasm in commercial and manufacturing circles. Popham and Baird were honoured with the Freedom of the City of London.

The government was at first divided on the issue, but it finally decided to back the invasion. It issued an Order in Council declaring Buenos Aires part of His Majesty's dominions and open to trade. Additional forces were dispatched to the River Plate under Major-General Sir Samuel Auchmuty. By the end of the year another expedition, led by Brigadier-General Robert Crauford, had left for Chile, and, as part of an ambitious dream of conquest, plans were prepared for major expeditions to Venezuela and Mexico, with supporting operations across the Pacific from India.

But meanwhile Buenos Aires had been lost. Its inhabitants had rejected the idea of imperial domination by Britain and organized effective resistance under the leadership of General Santiago de Liniers, a French officer in the service of the Spanish Crown. A combined force of young creoles, *gauchos* from the *pampas* and Spanish regulars descended upon the British and forced Beresford and

The two small red patches on this 19th-Century map of Latin America show just how small was the area ruled directly by the British government. However, in all the towns that are underlined in red, sizable communities of British businessmen were building a trading empire that was to be of vital importance to Britain's economy.

This contemporary print with its detailed key shows the British attacking the city of Buenos Aires (left) in 1807 while the Spanish troops flee (top).

1,200 of his troops to surrender less than seven weeks after the initial occupation of Buenos Aires. Popham and the fleet were left to blockade the city and await reinforcements.

The first batch arrived in October and took the small coastal town of Maldonado (near the now fashionable resort of Punta del Este, on the eastern bank of the estuary), after which they gave up all military endeavour and spent their time fishing, shooting and learning how to lasso cattle. Even with Auchmuty's arrival in January, 1807, the combined British forces were held to be insufficient for the recapture of Buenos Aires.

Instead, an assault was launched on the smaller Spanish garrison at Montevideo, further up the estuary but still 100 miles east of the main objective. At the cost of 192 British killed and 421 wounded, it was taken on February 3. Montevideo soon contained a thriving British community. In addition to 4,000 British troops, the town was crowded by 2,000 British "merchants, traders, adventurers" and "a dubious crew which could scarcely pass muster even under the latter designation." Dozens of ships packed the harbour and, by May, goods to the value of £1,200,000 – mostly cottons and linens – had been sold.

A weekly English-language newspaper – the *Southern Star* – appeared. And prosperous merchants, such as the young Scotsman, John Parish Robertson, gave parties at home for their compatriots and the local creole élite with "music, dancing, coffee drinking, card playing, laughter and conversation." Montevideo, Robertson wrote, soon "had more the appearance of an English colony than a Spanish settlement."

At the beginning of June came a reminder of more serious business when 5,000 more troops arrived, led by Lieutenant-General Sir John Whitelocke, who had been officially appointed Commander-in-Chief of River Plate operations. Whitelocke's instructions were to undertake immediately "the reduction of the Province of Buenos Aires under the authority of His Majesty," King George III. He was soon joined by General Crauford, who had been diverted from Chile, and on June 28, 1807, 9,000 troops were landed to begin the second assault on Buenos Aires.

This 1808 cartoon shows a furious Napoleon booting his minister, Talleyrand, whom he blamed for the escape of the Portuguese Prince Regent and the Portuguese fleet to Brazil with the aid of the British Navy standing offshore (left).

This time the town's citizens were prepared. Each street was defended by fanatically determined creoles and from the house-tops a shower of stones and scalding water poured down on to the heads of the attackers. British troops, according to Whitelocke, had never before been faced with "such resolution and perseverance on the part of an enemy."

Whitelocke, as it now turned out, lacked confidence, determination and tactical skill. Having lost a third of his men in the attack – 401 dead, 649 wounded, 1,924 taken prisoner – he decided on July 7 to "evacuate a province which the force I was authorized to calculate upon could never maintain and which from the very hostile disposition of its inhabitants was in truth not worth maintaining." In return he obtained the release of all prisoners, including Beresford and his men. Not only Buenos Aires, but the entire River Plate was to be evacuated, and on September 9, 1807, a fleet of warships, transports and merchantmen left Montevideo, bringing to an inglorious end Britain's short-lived Empire on the banks of the River Plate.

Reaction in Britain was violent. *The Times* stood on its head and, exactly one year after it had welcomed the original capture of Buenos Aires, described the affair as, from first to last, "a dirty, sordid enterprise, conceived and executed in a spirit of avarice and plunder, without a parallel, except in the disgraceful expeditions of the Buccaneers." Others regarded the British withdrawal from South America as the greatest disaster sustained by Britain since the start of the war with revolutionary France. Inevitably, scapegoats had to be found. The commanding officers were court-martialled. But, whereas Popham got off with no more than a severe censure for mounting an unauthorized expedition, the unfortunate Whitelocke was found guilty of cowardice and treason, and cashiered. The fact that he was not shot was popularly attributed to his illegitimate connection with a member of the Royal Family. Such was the contempt in which his name was held that, years after, there was still a popular toast that ran: "Success to grey hairs, but bad luck to white locks."

Some voices were raised calling for another invasion. "There is not a person I have met with," wrote one irate correspondent to Lord Castlereagh, Secretary of State for War, in 1807, "who can bear to hear of that capitulation with temper; everyone considers it as a disgrace to the Nation and nothing can rectify the mistake but that of sending out another fleet and Troops to take and keep possession of Monte Video *at least*." But the British government had learned its lesson and declined to sacrifice further blood and prestige in trying to subjugate a people who had already resisted with such desperate ferocity. Britain's interest in the area was now recognized as primarily commercial, and the penetration of the Spanish-American market proceeded steadily without the need for direct intervention.

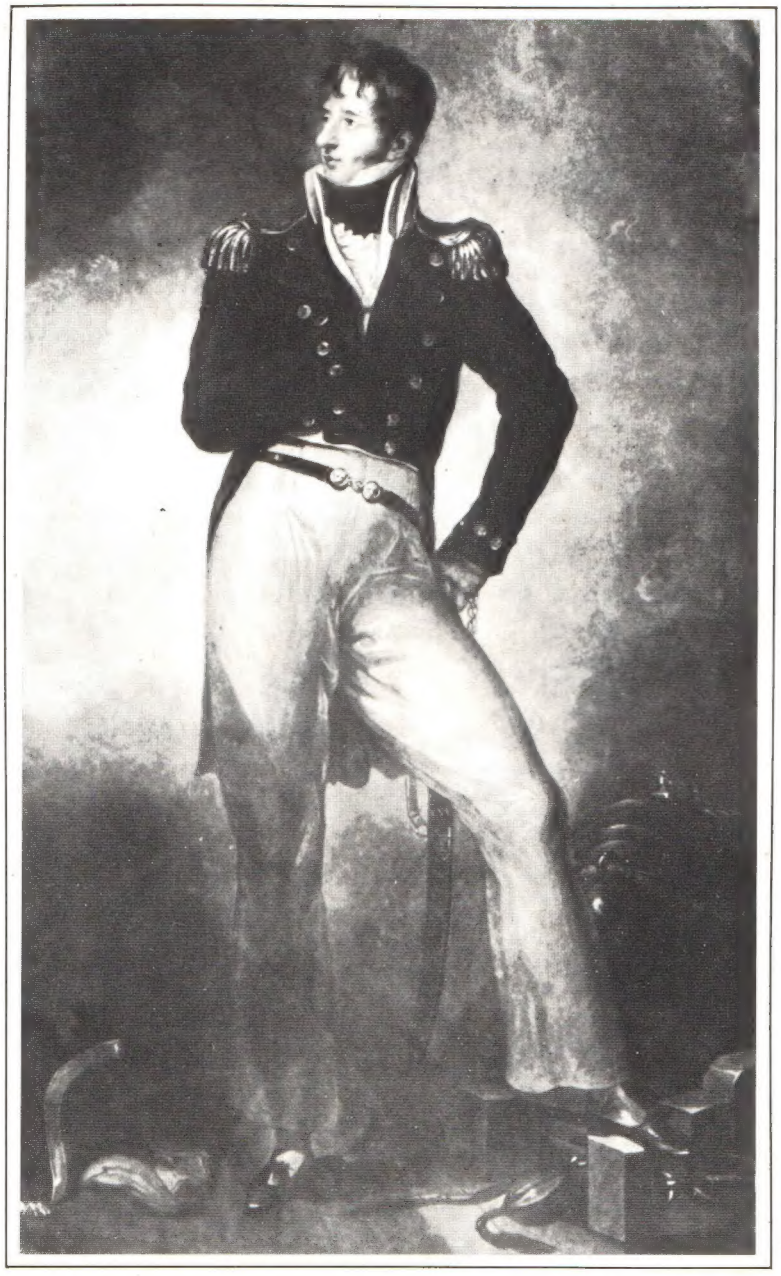
Meanwhile, events in Europe had also worked to Britain's advantage: in November, 1807, only four months after the River Plate débâcle, four ships of the Royal Navy escorted the Portuguese Prince Regent and his Court and government, fleeing from Napoleon's armies, across the Atlantic to Brazil. Dependent on Britain for the defence of Portugal and the Portuguese overseas empire, including Brazil, the Portuguese Prince Regent immediately opened Brazilian ports to the trade of friendly nations – almost exclusively Britain.

Brazil now became an important and growing market for British goods; it was also a convenient backdoor to Spanish America. By August, 1808, some 200 British merchants were established in Rio de Janeiro and one visitor found the city "heaped high with [British] cloth, ironmongery, clothing and earthenware." British imports in 1808 were valued at over £2 million.

In 1810 Britain consolidated her position by extracting a remarkable commercial treaty from the Portuguese government in Rio. This guaranteed British merchants immunity from search in their homes and warehouses, granted

Cochrane the Unconquerable

At the same time as much of the British Army was being disbanded after Napoleon's defeat at Waterloo in 1815, the colonial peoples of the ancient Spanish and Portuguese empires in Latin America were fighting for independence. It was a golden opportunity for the thousands of unemployed British troops, who enrolled as mercenaries in Brazil, Chile and Venezuela. The most celebrated of them was Lord Thomas Cochrane, 10th Earl of Dundonald, (below) who became Admiral of the Chilean Navy. A turbulent career in the Royal Navy during the Napoleonic Wars had won Cochrane a place in Naval history, a fortune in prize money – and the Admiralty's undying hatred. Brilliant seamanship, courage, audacity and tremendous aggressiveness were the secret of his victories, but the Admiralty thought him "unruly," while Earl St. Vincent, the First Lord, called him "proud, wrong-headed and violent."



The crisis came for Cochrane when, still a captain, he knocked out five French warships in 1809 in the battle of Aix Roads. Admiral Gambier, the British Commander-in-Chief of the Channel fleet, refused to give Cochrane the support that would have enabled him to destroy the whole French fleet, and ordered him to withdraw. It was an extraordinary command, and afterwards Cochrane instigated the Admiral's court martial. However, furious at such action from a junior officer for whom they had no liking, the Lords of the Admiralty rigged the trial, cleared Gambier and disgraced Cochrane, who lost his ship. Worse followed. Becoming the dupe of crooks in a Stock Exchange swindle, he was tried, found guilty and sentenced to a £1,000 fine and twelve months' imprisonment.

Incensed by such treatment, Cochrane launched a campaign in Parliament against government corruption, but this brought him little personal satisfaction. When Chile offered him command of its navy, with vice-admiral's rank, he accepted without hesitation, and sailed for Valparaiso with his wife and five-year-old son. By now, Chile had proclaimed independence. But the Patriots, led by General San Martín and Bernardo O'Higgins, were at the mercy of the Spanish fleet. While it ruled the sea Chile's fledgling independence could be easily destroyed.

Cochrane, with a navy consisting of only one 48-gun frigate, two East Indiamen with 44 and 64 guns respectively, and four sloops each with four guns, was now expected to overcome the entire Spanish Pacific fleet. He decided to attack the strongly defended Spanish naval base of Callao first, but on the way there the crews of his two largest ships mutinied because they had not been paid and refused to fight. Even so, Cochrane engaged some of the enemy ships in the outer harbour, sunk one of them and then withdrew a short distance to mount an effective blockade of the harbour.

During this short engagement Cochrane's attention was distracted briefly by a touching incident. His son, Tommy, had hidden on board to see the fighting. The boy suddenly came on deck and was standing beside a marine, where his father could not see him, when a shot tore off the marine's head. Splashed with blood, the boy ran up to his horrified father, sobbing: "They have killed poor Jack, Papa, but I am not hurt." Pointing to the hole the expended shot had made in the ship's hull, Cochrane said coolly: "Put your head in there Tom, and stay there. No shot comes through the same hole twice." Fortunately, he was right.

Cochrane afterwards seized the strategic island of San Lorenzo, which dominated Callao's approaches. Using it as a base, he sank the Spanish warships whenever they ventured out. Valdivia, in the south, then fell to him in a combined operation by sea and land. Spanish power in the area was all but broken. General O'Higgins, in a tribute to Cochrane, said that "the Spanish viceroy had been shut up in his capital and his convoys both by sea and land intercepted, while his ships of war did not venture to emerge from their shelter." Cochrane refused a handsome reward because his sailors were still owed months of pay – a problem he then solved himself, in typically unconventional fashion: he seized $285,000-worth of bullion that General San Martín was transporting from Lima, and paid his sailors with the booty taken from his own employer.

When Cochrane left Chile for Brazil in January 1823, he had sunk or captured every enemy vessel in the Pacific. He then transferred his remarkable energies to Brazil for a short time, helping the Brazilian revolutionaries to destroy the Portuguese fleet. He later secured reinstatement in the British Navy and died in London in 1860, at the grand age of 85.

them extra-territorial rights in legal disputes, and reduced the import duties on their goods to a maximum of 15 per cent, while the Portuguese themselves were paying 16 per cent and the merchants of other countries 25 per cent.

Developments in Latin America also helped Britain to reinforce her position. In 1810 revolutions for independence broke out in many parts of Spanish America and in their own economic interest the revolutionary regimes were anxious to open their ports to friendly foreign trade. Although remaining officially neutral in the revolutionary struggles, Britain made it clear that she would never allow the reimposition of a Spanish commercial monopoly, and with Napoleon's final defeat in 1815, she was able to use her naval command of the Atlantic to deter intervention on behalf of Spain by any other European power.

Moreover, Britain gave a great deal of unofficial assistance – both arms and men – to the Spanish-American insurgents. In all, 6,000 British officers and men fought – and 5,000 of them died – for the cause of Spanish-American independence. A few individuals made quite outstanding contributions. General William Miller, for example, a young soldier of fortune who had gone to South America after serving with Wellington in Spain, fought with San Martín and Bolívar in every major engagement in the liberation of Chile and Peru. He commanded the cavalry at the decisive battles of Junín and Ayacucho in Peru in 1824 and afterwards served for a while as Governor of Potosí, in Bolivia. Daniel O'Leary won both military and diplomatic laurels as Bolívar's aide-de-camp throughout the later stages of the revolutionary struggle. Bernardo O'Higgins became the hero of Chilean independence. Ironically, O'Higgins came of strong imperial stock. His father, Ambrose O'Higgins, had entered the Spanish colonial service at the age of 40, and had died in 1801 as the 81-year-old Viceroy of Peru.

Most remarkable was the role of Thomas Cochrane, 10th Earl of Dundonald. He became Admiral of the Chilean navy in 1818 and decisively assisted the liberation of Chile and the coastal areas of Peru. In 1822, following the return of the Portuguese court to Lisbon and a Portuguese attempt to restore the colonial status quo of 1808, Brazil declared its independence from Portugal and Cochrane accepted an invitation from the young Brazilian Emperor, Dom Pedro I, to serve Brazil.

As commander of a small Brazilian naval squadron during the next two years, Cochrane became a hero of Brazilian independence.

By 1825 virtually the entire Latin American continent had won independence. British trade was flourishing with the new Spanish-American republics and with the vast independent empire of Brazil, now Britain's third largest foreign market. More than 200 British commercial houses – over half of them in Brazil, almost a third on the River Plate – had been established and some, like Antony Gibbs & Sons, were making profits of up to 400 per cent on cargoes of textiles to the Pacific coast of South America. Quantities of British goods – cottons, woollens, linens, ironware, pottery, glass, furniture – could be found in all major coastal cities and in the interior as well.

One enterprising British manufacturer even sent a consignment of chamber-pots to Buenos Aires with Argentina's coat of arms tastefully displayed on the bowl, but customs officers declared them an insult to the new state and ordered their destruction. An English import house in Rio advertised a vast list of commodities, ranging from steel-reinforced hoes, locks, hinges, and tin-coated spoons and forks to nails, spikes, anvils and iron pins.

Writing of the *gaucho*, the British consul in Buenos Aires noted that virtually the whole of his equipment, apart from the items made of rawhide, was British. A traveller in the Brazilian interior found the shops of one town stocked with "cotton goods from Manchester, broadcloths from Yorkshire, stockings from Nottinghamshire, hats from London, cutlery from Sheffield."

By the mid-1820s sizable British communities were well established in many towns: in Rio de Janeiro, whose streets, one visitor reported, were full of ale houses with names like "The Union Jack," "The Red Lion" and "The Jolly Tar"; in Valparaiso, Santiago's seaport, which resembled "a coast town of Britain"; in Montevideo; and, most important, in Buenos Aires. There were over 3,000 British subjects living in the Argentinian capital, with their own church, chapel, cemetery and English library. A directory of 1829 lists 18 English grocers, nine cabinet makers, eight physicians, six tailors, five apothecaries, five hucksters, four hoteliers, four housepainters, and assorted upholsterers, blacksmiths, bootmakers, hatters, watchmakers and saddlers.

There were also several hundred soldiers from Beresford's and Whitelocke's armies who had stayed, the majority sunk to the "lowest scale of misery and moral degradation," as well as what a diplomat, Henry Stephen Fox, called "swindling runaway shopmen" and "drunken and mutinous Irish meckanicks." Fox was singularly unimpressed with British society in Buenos Aires. "Nearly 5,000 persons," he wrote in 1832, "all in their different grades of the most foul and disreputable character . . . and all under the impression that this is a British colony, to be governed by British laws of which I am to be the administrator. . . . I certainly never saw, or read of, or heard described so vile a community as the English scrapings now settled in South America."

Besides the expansion of trade with Latin America and the settlement there of British subjects, British capital was also being invested. A number of joint-stock companies had been created to exploit the continent's legendary mineral wealth and several Spanish-American governments floated loans – 14 of them in the three years from 1822 to 1825 – on the London capital market. Clearly, it was time for Britain to confer official recognition upon the newly independent states of Latin America – a routine diplomatic procedure out of which the Foreign Secretary, George Canning, squeezed the maximum advantage for Britain.

In 1825 Mexico, Argentina and Colombia, who at the time comprised three-quarters of Spanish America, signed commercial treaties with Britain which, when ratified, conferred diplomatic recognition. These treaties, all negotiated on similar lines protected British subjects against

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MRS GRAHAM'S JOURNAL

Maria Graham (left), an admiral's daughter, was one of those independent women who continually crop up in the history of the Empire. She married Captain Thomas Graham in 1809 and accompanied him on his voyages all over the world. When he died off Cape Horn in 1822, she made her home in South America for the next few years, keeping journals in which she discussed the politics and personalities of those engaged in the independence struggles against Spain and Portugal rather than, as was more usual for a woman in those times, the gossip of everyday life. The journals, which caused quite a furore when they were published, were illustrated with etchings made from her paintings. The three reproduced here show aspects of the British presence in Latin America.

The verdant countryside of Valparaiso, in Chile, was held by Spanish troops until shortly before Maria Graham's arrival in 1818.

Many gravestones in Rio's English cemetery commemorate British sailors and soldiers who had died in the independence wars.

In an idyllic scene entitled "Travelling in South America," an English couple rattle along a Chilean road looking out at the Andes.

forced enlistment, inequitable taxation and interference with their liberty of worship, while guaranteeing most-favoured-nation treatment for British trade. Two years later Brazil signed an even more far-reaching commercial treaty providing for preferential duties on British goods.

The foundations of Britain's economic pre-eminence in Latin America had been firmly laid. The results were not immediately obvious. Over the next 25 years, a time of political instability and slow economic growth, fortunes were lost as well as made – new governments defaulted on their loans, goods remained unsold in over-stocked warehouses. However, in the middle of the 19th Century, an upswing began in world demand for Latin-American foodstuffs and raw materials, and, towards the end of the century, the export and import trade boomed. With it went an increase in Latin-American demand for foreign capital, manufactured goods and technological know-how, and all these were eagerly supplied by Britain.

In 1880, Britain already had £179 million invested in Latin America – 10 per cent of total British investment abroad. By 1913 this had increased to over £1,000 million, more than a fifth of total foreign investment: one-third (£350 million) was invested in Argentina alone, one quarter (£225 million) in Brazil. The British investor put more than a third of his money into Latin-American municipal and government bonds. British capital also flowed into agricultural and mining enterprises; Argentinian sheep farms and cattle *estancias*; Brazilian coffee and sugar; Chilean nitrate and copper mines; Mexican silver mines; Mexican and Venezuelan oil fields; river transport; port facilities; and, above all, public utilities, particularly tramways and gas and water works. Most important, half of all private British capital was invested in railways. Throughout Latin America, goods were moved rapidly and cheaply to and from the seaports along railways financed by British capital. Railway mileage in Argentina alone increased from a mere 454 miles in 1870 to 20,805 in 1913.

To the enterprising British businessman Latin America offered opportunities without parallel. Typical of many who were tempted was John Thomas North, who rose, in his own words, "from mechanic to millionaire." North first went to Peru in 1869 at the age of 27 as the representative of a firm exporting nitrate-extracting machinery. Within a few years he owned his own nitrate works near the coastal town of Iquique. From 1879 to 1882, Peru, Bolivia and Chile fought a war mainly to determine ownership of the rich nitrate provinces. Chile defeated her two rivals – but North emerged as the principal victor.

With the assistance of two other English expatriates – Robert Harvey, counsellor on nitrate matters first to the Peruvian, then to the Chilean government, and John Dawson, head of the Iquique branch of the Bank of Valparaiso – North acquired the title-deeds to the richest of the nitrate fields. Operating mainly from London, he also gained control of the Chilean water supply, the railway, coal and gas companies, and the provisions supply company in the key province of Tarapacá. In 1889, with the nitrate market showing signs of weakness and the Chilean government threatening to impose controls on foreign monopolies, the "nitrate king," who by now was a leading figure in English society, decided to pay a visit to his "kingdom." After a farewell ball for 1,000 guests, made up, according to the *South American Journal*, of "the aristocracy, the plutocracy and the histrionocracy of the Kingdom," North left for Chile, accompanied by a number of distinguished journalists, including W. H. Russell of *The Times*.

During an extensive – and expensive – tour of the country, North had three interviews with President Balmaceda and successfully restored confidence in his companies. But the nitrate boom was over and before his death – of apoplexy – in 1896, North had quietly diverted his capital from Tarapacá to collieries in England, factories in France, cement works in Belgium, tramways in Egypt and gold mines in Australia.

The tycoon contractor, Weetman Pearson, 1st Viscount Cowdray, managed to bequeath a rather more valuable legacy to his chosen "kingdom." He first visited Mexico in 1889 at the age of 33, and during the next 20 years he spent several months of almost every year in Mexico City at his residence, once the British legation. He became an intimate friend of the president-dictator, Porfirio Diaz,

John North's Kingdom

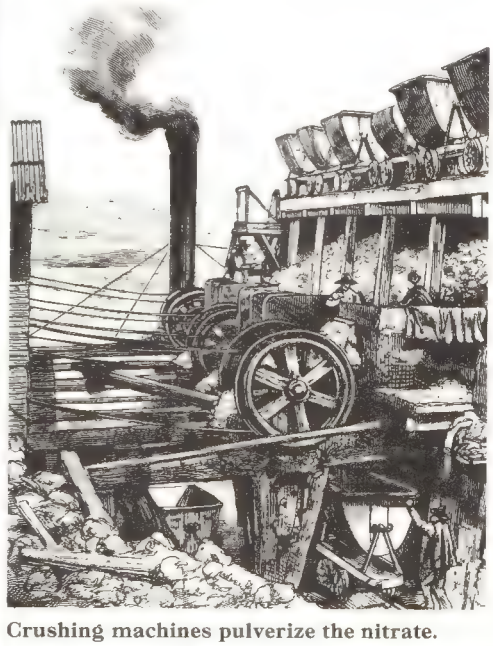
The Indians of Chile and Peru were the first to discover that nitrates improved crop yield when mixed thinly with the soil. But an Englishman, John North, who went to Chile in 1869 to sell nitrate extraction machinery to the fledgling industry, was the first to exploit nitrates commercially on a large scale. Backed by British capital, he was so successful that he became known as the "nitrate king."

In 1889, angered by false accusations in England that his business was an inefficient shoe-string operation which would never be able to repay the money invested by the public, North took *The Times* correspondent, W.H. Russell, to Chile to report the true situation.

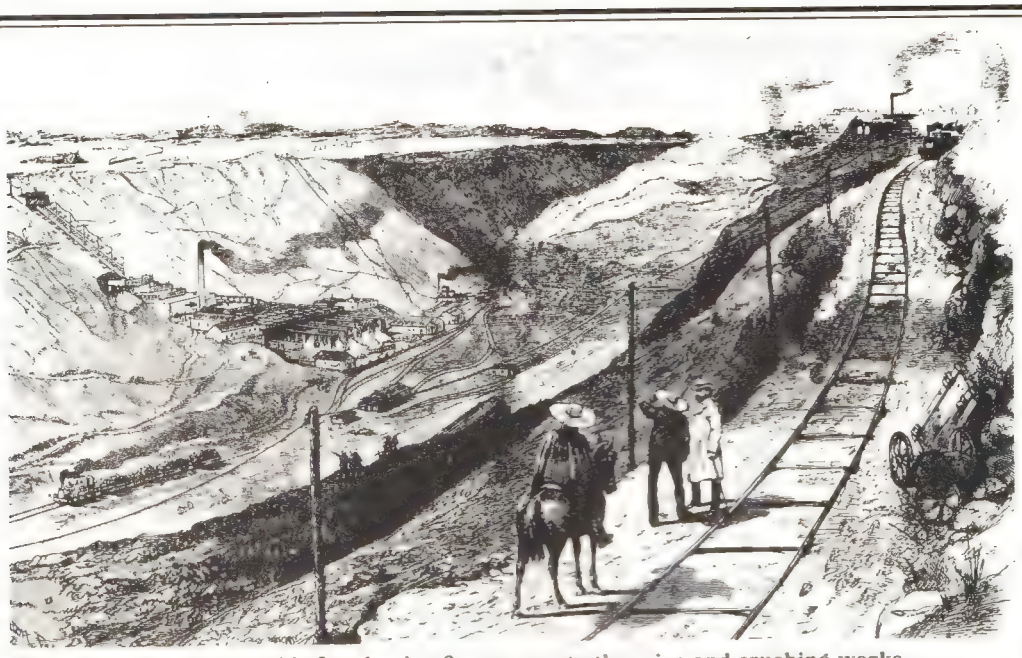
Russell published his account of the trip in a book illustrated by Melton Prior, artist to the *Illustrated London News*, some of whose drawings are reproduced here.

Russell discovered first of all that the railway linking the workings to the port of Iquique was not, as had been reported, "a tramway ending in a marsh." On the contrary, he wrote that the "stations, the sidings, platforms, locomotive . . . sheds [were] worthy of any city in Europe."

He was convinced, too, of the huge extent and productive capacity of the nitrate industry itself. He describes his first night in Primitiva, centre of the Tarapacá nitrate fields. "There was Primitiva thundering and clanking away, for the work goes on incessantly, gang following gang, crushers grinding *caliche*, boilers dissolving it to stew in its own juice, and nitrates of soda yielding itself up . . . night and day, to be sent all over the world." North's crown was secure and remained so until he sold up in the 1890s.



Crushing machines pulverize the nitrate.



The railway line, financed in London in 1870, ran up to the mine and crushing works.

Miners blast the layers of nitrate lying three feet below the surface of the Tarapacá plateau.

Boatmen at Pisagua, Peru, load nitrate into canoes for transfer into waiting British ships.

and as Liberal M.P. for Colchester was generally known in England as "the Member for Mexico." His major achievements in Mexico included the draining of Mexico City and the Valley of Mexico by means of a 30-mile-long canal – a task that had baffled engineers for three centuries; the construction at Vera Cruz, on Mexico's Caribbean coast, of a deep-water port with three giant breakwaters, a half-mile jetty for ocean liners, wharves, warehouses, a railway station, pure water supply and electricity; and the construction of a railway across the Isthmus of Tehuantepec, connecting the Atlantic and Pacific Oceans with two modern well-equipped ports at each end.

In 1910, on the eve of the Mexican revolution, after almost a decade of failure, and opposition from a rival subsidiary of Standard Oil, Pearson's Mexican Eagle company, which had been granted huge land concessions by the Mexican government, finally struck oil on a large scale. Pearson rode the storm of the revolution, but after the First World War he began to pull out of Mexico. Lucky – or shrewd – to the end, he sold his oil properties to Royal Dutch Shell in 1919, only three years before one of his biggest wells was flooded by salt water.

During the last quarter of the 19th Century and the first decade of the 20th, there was a spectacular expansion of trade between Latin America and Britain. Although many Latin-American foodstuffs could not compete with imperial produce, exports to Britain quadrupled. In 1913 they totalled £76 million and represented ten per cent of Britain's total imports. Much of the increase was accounted for by Argentinian meat and cereal imports which rose from under £1 million to over £42 million.

At the same time the Latin-American market absorbed almost ten per cent of British exports, worth £58 million in 1913. Cotton goods remained the largest element in the Latin-American trade although capital goods – iron and steel, agricultural and manufacturing machinery and, above all, railway equipment – made up the bulk of British exports.

Commercially, Argentina was more valuable to Britain than any Dominion and was exceeded in commercial importance only by the U.S. Argentina became known simply as the "Sixth Dominion"

INTO GUIANA

Britain's early connections with Guiana were romantic ones, from the time that Sir Walter Raleigh, poet and adventurer, sailed down its coast looking for clues to the fabulous land of El Dorado and dreamed of setting up a new colony to challenge Spanish supremacy in South America, to the visit of the painter Charles Bentley, whose idealized pictures are shown on these pages, in 1840. But the potential of the land ceded to Britain by the Dutch in 1814 was never fully exploited. Though sugar plantations were established in its fertile soil, the abolition of slavery meant that they always suffered from a shortage of labour. British Guiana was not, unfortunately, to be Britain's El Dorado.

The Caribs (below), one of the main ethnic groups in Guiana, assemble for seasonal rituals.

Bentley's idyllic painting of the Wapisiana tribe shows the characteristic beehive huts.

British explorers set up camp in the background as their porters lift their dugout canoes from the river to carry them above the impassable cataract.

Charles Bentley's landscape of the interior of British Guiana, showing the village of Pirara and Lake Amuco in the distance, was hopefully entitled "The Site of El Dorado."

II. Under the Union Jack

Considering her economic preeminence, Britain exercised remarkable restraint in her dealings with the Latin-American states. On the whole, British governments pursued a policy of non-intervention in their internal affairs, although individual diplomats on the spot were often inclined to act in a high-handed and generally insensitive manner.

There was one notable exception to the official British policy of non-intervention. In its determination to end the notorious Latin-American slave trade, the British government did not hesitate to order in the Royal Navy, and in the final stages of the struggle to suppress the Brazilian trade British cruisers operated not only in Brazilian territorial waters, but also in Brazilian ports, bays and anchorages – stopping, searching, and destroying vessels suspected of trading in slaves, and exchanging fire with Brazilian coastal forts. By 1851 the Brazilian government had been persuaded to put down the trade largely by the "thunder of the English cannon."

On the other hand, Britain rarely intervened by force to promote or extend her trade in the area. In the mid-1840s, it is true, she blundered, together with France, into a costly and futile invasion of the River Plate in order to "pacify" what had become a turbulent area, and to open up the Parana river system to trade. Britain, however, was quick to pull out and never again repeated the exercise. The 30 or so examples of coercive military or naval measures – blockades, bombardments, troop landings, naval demonstrations – against Latin-American states during the 19th Century were all relatively trivial, and undertaken to protect the lives and property of British subjects or preserve existing trade on fair and equal terms.

Most of the time, the British government was reluctant to intervene in the affairs of her subjects in South America at all. When British residents expressed their indignation at the stopping and searching of British vessels in the River Plate by ships of the Argentinian navy in 1880, the British minister in Buenos Aires reacted philosophically. "To bully this cocky little rising American republic into legality," he wrote, "may be possible, but is it the best policy? H.M. subjects who are domiciled in foreign states for their pleasure are not exactly in the same category as British subjects in Ramsgate, Margate, Manchester, Sheffield or other pleasure or business resorts in H.M.'s Dominions."

Nor could investors – even bondholders – count upon the British government for the defence of their capital. Generally, British governments believed that it was no part of their duty, in Canning's words, "to interfere in any way to procure the repayment of loans made by British subjects to Foreign Powers, States or individuals."

Given these attitudes, it was hardly surprising that Britain never had the least idea of reviving a formal Empire in Latin America. There was not sufficient Great-Power rivalry to cause sleepless nights in Whitehall. And any imperialist adventure would provoke enough resistance within Latin America – and from the United States – to make it, at the very least, extremely hazardous and ruinously expensive. Above all, since the agricultural, mining and commercial interests in Latin America benefited from collaboration with British financiers, industrialists and businessmen, Britain was able to secure all the economic advantages of empire without incurring any of the political and military obligations.

The only two mainland areas in Latin America which were ruled directly from

The Regency-style buildings and the throng of carriages stamp Georgetown, British Guiana, as a typically British colonial capital.

London were the colonies of British Guiana and British Honduras. Compared with the rest of the continent, they were very small and insignificant. Their history as a sphere of British interest was rather different and went back much further.

During the 16th Century, when the Spanish and Portuguese were gathering their Latin-American territories, they neglected the "wild coast," the area between the Amazon and Orinoco rivers, of which British Guiana was later to form a part. The British became interested in it by the end of the 16th Century. Sir Walter Raleigh explored the wild coast during his first expedition in search of the fabled El Dorado, but his schemes for a colony came to nothing. It was the Dutch who in the 17th Century first settled and cultivated the uninhabited coastal area and made contact with the Amerindian tribes of the vast hinterland. They set up the territories of Essequibo, Demerara and Berbice, but during the Napoleonic Wars, all three suffered much the same fate as that other Dutch possession, Cape Colony. In 1796, they were seized by a British naval force from Barbados. They were returned in 1802 when the Treaty of Amiens brought a lull in the war, but then, as soon as the hostilities began again in 1803, they were reoccupied.

This occupation was formalized by the peace treaties of 1814 and 1815, when the three colonies were bought from the Dutch as part of a £6 million deal which included the purchase of Cape Colony. In 1831, the old Dutch colonies were united into the Crown Colony of British Guiana. But the boundaries were not clearly defined. The first surveys were carried out only later in the 1830s and 1840s by a young German naturalist and explorer, Robert Schomburgk. British claims based on his mapping have always been disputed by neighbouring Venezuela.

Nevertheless, these uncertainties did not hinder the rapid colonization, mainly by Scots and Barbadians, which began after 1815. Unlike the older West Indian colonies which had long been in decline, British Guiana had an abundance of fertile soil. Large sugar plantations were established along the coastal strip and sugar production more than doubled between 1815 and 1830. The colony's most pressing problem was its labour shortage. With the abolition of slavery in 1833, there was an exodus of emancipated slaves, and the planters were forced to look elsewhere for cheap labour. In 1838 they began to import large numbers of West Indian creoles, West African liberated slaves, Portuguese from Madeira, Chinese coolies and, above all, indentured labourers from India. By the 1880s, these Indians numbered 65,000 out of a population of 250,000. In British Guiana, as in Mauritius and Trinidad, it was the Indians who spearheaded the expansion of the sugar economy. This lasted until the end of the 19th Century.

British interest in the Caribbean coast of Central America, which Spain discovered, explored and claimed, but never settled, began early in the 17th Century. By the middle of the century, a community of mainly Scottish logwood cutters had established itself at the mouth of the Belize River, on the western shore of the Bay of Honduras, and in the Bay of Campeche, on the western coast of the Spanish province of Yucatan. Logwood was an important source of dyes for textiles and the trade prospered.

The status of the logwood cutters was always at issue. They were expelled by the Spanish from Campeche in 1717, but proved more difficult to dislodge from Belize. And it was from Belize and from Jamaica that the British established friendly commercial relations with the inhabitants of the Mosquito Coast or

This view from the lighthouse of Georgetown, painted in 1861, shows the villas of the early colonists nestling among the palm trees.

Shore, an ill-defined area several hundred miles long on the Caribbean coasts of Honduras and Nicaragua.

As early as 1681, William Dampier, the mariner and buccaneer, wrote in his *New Voyage Round the World* that the so-called Mosquito Indians, whose racial origins were, in fact, a mixture of Amerindian and African (shipwrecked and fugitive slaves), "acknowledge the King of England as their Sovereign . . . learn our language and take the Governor of Jamaica to be one of the greatest princes in the world." From the middle of the 18th Century Britain did, in fact, extend a loose form of protectorate over the Mosquito Indians by appointing a Superintendent and by recognizing their hereditary Kings – whose sons were now educated in Jamaica – and their Central American domain.

It was not until 1763 that Spain, for the first time, reluctantly acknowledged the Belize logwood trade, but friction continued until 1786, when the rights of the woodcutters over an extensive area of Spanish territory were confirmed. In return, Britain was obliged to relinquish all claim to the Mosquito Shore. But during the early 19th Century, after the Spaniards' attempt to colonize the Mosquito Shore had failed – they were finally expelled in 1800 – British traders and woodcutters gradually re-established their earlier predominance. And, although Britain had, in the Colonial Office phrase, "no sort of territorial jurisdiction" over the Shore and no longer even appointed a Superintendent, Mosquito Kings – George Frederick II, in 1816, and Robert Charles Frederick in 1825 – were still crowned in the Anglican church at Belize.

The last forcible challenge to the British in Belize itself came in 1798 after which, although expressly forbidden by the treaties with Spain, the settlement became more permanent. A small fortified town was built at the mouth of the river and the population of 4,000 – almost half of them slaves – was administered through public meetings of free settlers together with a Crown Superintendent appointed from London. Although the settlers demanded full colonial status, Belize continued to be regarded officially as "a settlement for certain purposes in the possession and under the protection of His Majesty," but "not within the territory and dominion of His Majesty."

Despite its ambiguous status, the settlement continued to grow. By 1835 the population was 10,000 and the town of Belize was an important centre for British exports – worth half a million pounds a year – to Central America. The trade in mahogany, for furniture and railway coaches, had by now superseded the logwood trade, which had been seriously damaged by the development of synthetic dyes; and the woodcutters had extended their operations west and south of the boundaries established in 1786 into Mosquito territory.

Lip-service was still paid to Spanish sovereignty, although, in 1840, Lieutenant-Colonel Alexander MacDonald, the Superintendent, proclaimed that "the Law of England is and shall be the Law of this settlement or Colony of British Honduras." MacDonald, of whom an American diplomat wrote that he would have made "a fit representative of Greece or Rome in the brightest days of their glory," believed it his mission to revive British interest in the Bay Islands, which were strategically situated off the southern shore of the Bay of Honduras, 120 miles from Belize (they had already been occupied from time to time by the British in the 17th and 18th Centuries). Even more important, MacDonald argued, was the Mosquito Shore. There British subjects and British trade required more active protection, while Britain had a duty to rescue the Indians from their "dark and degraded state" and to defend them from Central American encroachment. He believed that now, with renewed interest in inter-oceanic canal routes, the Shore and particularly the mouth of the San Juan River had acquired a greatly increased strategic and commercial importance for Britain.

MacDonald's self-imposed mission was largely successful. In April, 1839, he received government approval for the seizure of Ruatan, the largest of the Bay Islands. Just over a year later, at the request of King Robert Charles Frederick (who was drunk at the time) MacDonald agreed to nominate a board of commissioners – with himself as president – to help govern the Mosquito Shore.

Lord John Russell, at the Colonial Office, was horrified at what amounted to "little less than taking possession of the Mosquito Shore." But Lord Palmerston, Foreign Secretary, held it to be Britain's duty "to impart to a rude and barbarous race of men, some elements of social order, some rudiments of political organization, and some instruction in the truths of religion." MacDonald failed, however, to find approval for an expedition he and King Robert launched the following year to San Juan de Norte, at the mouth of the San Juan River, and the temporary expulsion by force of the Nicaraguan customs administrator – "a shocking ruffian."

When the Mosquito King Robert died in October, 1842, MacDonald and the commission became the guardians of his children and took over the administration of the territory. The Colonial Office strongly disapproved, but Lord Aberdeen, at the Foreign Office, finally agreed to revive the British "protectorate" after a lapse of half a century. Patrick Walker, formerly MacDonald's secretary at Belize, became resident agent and consul general in the capital of "Mosquitia," Bluefields. In 1847 the 15-year-old King George Augustus Frederick, who spent most of his time "running about . . . with ragged boys, flinging stones and chasing cows," paid a royal visit to Jamaica. There he "dined with large parties, military and civil . . . appeared at the Theatre and at a ball, attended an inspection of the troops and was confirmed by the bishop." One observer commented that the young king "could not have conducted himself with more decorum if he had been brought up at Windsor or the Tuilleries."

Palmerston, who returned to the Foreign Office in 1846, fully supported the revival of the Mosquito Shore Protectorate. He also defined its boundaries: Cape Honduras in the north and, more controversial, the mouth of the San Juan River in the south. On January 1, 1848, a joint force of Mosquito and British troops, with naval support from H.M.S. *Alarm* and the Mosquito warship, *Sun*, once again occupied San Juan del Norte. The Mosquito flag – which bore a striking resemblance to the Union Jack – replaced that of Nicaragua, while a band on board the *Alarm* played *God Save the King*, and

continued on p. 1980

Gregor McGregor, Self-Crowned King

Latin America was not short of colourful military adventurers in the first half of the 19th Century. But one of the most extraordinary eccentrics of the period was General Gregor MacGregor, a red-headed Scottish Highlander and member of the warlike family of the chiefs of clan Gregor. MacGregor was a natural soldier and as a military leader he was outstanding, but it is the baffling contradictions in his character that make him truly remarkable: generous and courageous in his youth he ended his career in jail as a swindler.

He always wanted to be a soldier, and the Napoleonic Wars gave him his chance. He was promoted to the rank of captain while still in his twenties, but was drawn to South America at the time when Simon Bolívar was fighting against the Spanish for Venezuelan independence. MacGregor landed there in his tartan kilt in 1813, accompanied by his personal piper and his secretary, and offered to fight for Bolívar and the Patriots. His offer, generously reinforced by his refusal to accept payment, was accepted and he was given a small force of 400 lancers and 200 infantry which became the nucleus of a powerful army. Having personally trained and disciplined his men, MacGregor – his kilt swinging and his piper's tunes skirling above the cries of battle – led them against the Royalists in the north.

Having inflicted several severe defeats on the Royalists, MacGregor was made Commander of the North Frontier by Bolívar. For good measure, the Scotsman promptly married Bolívar's niece, the beautiful Doña Josefa Govera. That year, 1815, the Royalists put down the Patriot rising with savage terror. Only MacGregor and his army, joined by guerrillas, held out.

In 1816, he emerged as the most skilled of the Patriot commanders. He defeated the Royalists time after time and strengthened his army by attracting more guerrilla groups. Finally, still clad in his worn tartan plaid, and aided by Creole troops, MacGregor led a bayonet charge which scattered the defences of the town of Juncal and brought the Patriots 16,000 silver dollars-worth of treasure.

A cartoon shows a gloomy MacGregor in a British jail.

MacGregor was now master of a large part of the Venezuelan plains. Bolivar awarded him the coveted *Insignia of the Liberators* and made him a general.

Characteristically, at this moment of triumph, MacGregor quarrelled violently with his Creole colleague, General Piar, resigned his command and sailed for England.

He returned to Venezuela in 1819, with his own army of 900 soldiers of fortune and, in ships provided by Bolívar, launched independent expeditions against Spanish possessions. His first target was the rich coastal settlement of Portobello, in Panama. But Royalist forces there rallied and drove him out. The Venezuelan coastal town of Rio Hacha then fell to him, but the violent behaviour of his men so incensed the Patriot citizens that, after three weeks, they rose up and scattered MacGregor's forces.

It was the last of MacGregor's military exploits, and a hitherto unseen side to his character now emerged. In 1820, his military career ended and, perhaps seeking an equally dramatic outlet for his grandiose ambitions, he sailed to the Mosquito Shore, between Honduras and Nicaragua, declared himself king of the Poyais Indians and founded the Poyais State in 10,000 square miles of their territory.

MacGregor now seemed to have slipped from reality into a world of fantasy. He had sailed from London as plain General Gregor MacGregor, but now returned there as "His Serene Highness Gregor the First, Sovereign Prince of the State of Poyais and Its Dependencies, and Cacique of the Poyer Nation." On landing, the new potentate sent greetings to George IV and set up a legation in London, from which the Green Cross and Golden Eagle of the Poyaisian flag hung proudly. He sold commissions in the non-existent Poyaisian Army and offered phoney titles to gullible citizens. He then descended on the City of London, arranged a loan of £200,000 in his name with a firm of prominent bankers and issued Poyaisian banknotes. He opened emigration offices in England and Scotland and published a pamphlet for would-be colonists depicting Poyais as an earthly paradise, with a wonderful climate, fertile land, fruit-laden trees, cheap cattle and a gracious, towered city. He then sold estates in this land of milk and honey, for a shilling an acre. At this price, it must have been hard for a hopeful colonist to say no to such an offer.

In September, 1822, seven vessels disembarked the first eager emigrants on to a wild, uninhabited shore fronted by swamp and jungle. Their settlement of St. Joseph became a grave for two-thirds of them, who either died of malaria and yellow fever or were slain by Indians. The survivors were rescued and taken to Belize, British Honduras.

When the news of the disaster finally reached a shocked London, MacGregor was arrested, tried for fraud and imprisoned. On his release he moved to Paris and, undeterred by his previous failure, tried to pull the same trick again. The French were not so gullible and threw him into prison at once. When he was released, almost destitute, he made a simple plea for help to Venezuela. Generously, the government invited him back – with a pension for his services in the war of independence. And there the self-styled King of the Poyais died in 1845. It was a peaceful end to a turbulent career.

the town was renamed Greytown, in honour of the Governor of Jamaica.

At this time Frederick Chatfield, British consul-general in Central America since 1834 and chargé d'affaires in 1849, urged the occupation by Britain of territory on the Pacific coast of Central America. Chatfield, who had earlier supported and encouraged MacDonald at Belize, had long dreamt of making Guatemala a British protectorate and the whole of Central America "subservient to British influence." In October, 1849, with the support of Captain Paynter of H.M.S. *Gordon*, he seized Tigre, the most important of a group of islands in the Bay of Fonseca, which is bordered by El Salvador, Honduras and Nicaragua. He was, however, sharply reminded by the Foreign Office that it was not British policy to interfere in the internal affairs of the Central American republics.

By now the United States had become extremely sensitive about possible canal routes across Central America and thoroughly alarmed by British "expansionism" on the Caribbean coast of Central America – especially by the seizure of San Juan del Norte (Greytown). The issue seemed to have cooled when in 1850 Britain and the United States agreed that neither would seek exclusive control over any future canal, nor colonial dominion over any part of Central America. Britain did, however, secure safeguards for its existing position in Belize and its "dependencies," which were not clearly defined.

Then in March, 1852, without informing the Foreign Office, Lord Grey, at the Colonial Office, decided to regularize the situation with regard to Ruatan and its neighbouring islands by instituting the Colony of the Bay Islands, with the Governor of Jamaica as its Governor-in-Chief and the Superintendent of Belize as its Lieutenant-Governor. The United States protested and backed Honduras and Nicaragua in pressing for the dissolution of the British "protectorate" over the Mosquito Shore.

The British government had no taste for an embarrassing and disagreeable dispute with the United States and the Central American republics, particularly after coming close to war with the United States over Greytown. "Great Britain has no interest in insisting nor does she insist," wrote the Foreign Secretary, Lord Clarendon, in August, 1854, "upon the claim to any portion of Central America or its adjacent islands, with the single exception of the Belize settlement."

As Clarendon put it to Palmerston at the end of 1857, provided "freedom of inter-ocean communication" were guaranteed, the people of England "did not care two straws for Central America or Mosquitia or the Bay Islands or the Honduras boundary." Palmerston agreed, adding: "These Yankees are most disagreeable fellows to have to do with about any American Question. They are on the spot, strong, deeply interested in the matter, totally unscrupulous and determined somehow or other to carry their Point; we are far away, Weak from Distance, controlled by the Indifferences of the Nation as to the Question discussed, and by its strong commercial interest in maintaining Peace with the United States."

In 1860, under treaty with Nicaragua, the British abandoned the Mosquito Shore – for the second time. The Mosquito King and his subjects were obliged to acknowledge the sovereignty of Nicaragua and, in return, were given a narrow strip of land within which they could exercise a measure of self-government and fly their own flag. (This last remnant of independence was finally destroyed in 1894 when Nicaraguan forces invaded the Mosquito Reserve and incorporated it into the national territory.) Greytown became a free port under the jurisdiction of Nicaragua.

On June 1, 1861, the British flag was hauled down in Ruatan and Britain surrendered the Bay Islands to the Republic of Honduras. It was a rare event in the history of the British Empire: the peaceful cession of a regularly constituted British colony to a foreign nation and – even rarer – without the Colonial Office being informed of the cession or the terms on which it was to be effected.

Only Belize now remained of Britain's Central American possessions – extending over twice the area of the old Spanish concession. In 1862, more than two centuries after the first woodcutters had established themselves on the Belize River and a century after Spain had first recognized British rights there, Belize at last became the colony of British Honduras – apart from British Guiana, the only outpost of the British Empire on the mainland of Latin America.

During the three centuries of Spanish and Portuguese colonial rule, very few Englishmen visited, much less resided in, Latin America. But with the opening of the Latin-American ports to direct British trade at the beginning of the 19th Century and the rapid expansion of British trade and investment later, there grew up in the seaports and capital cities of Latin America small but thriving British communities.

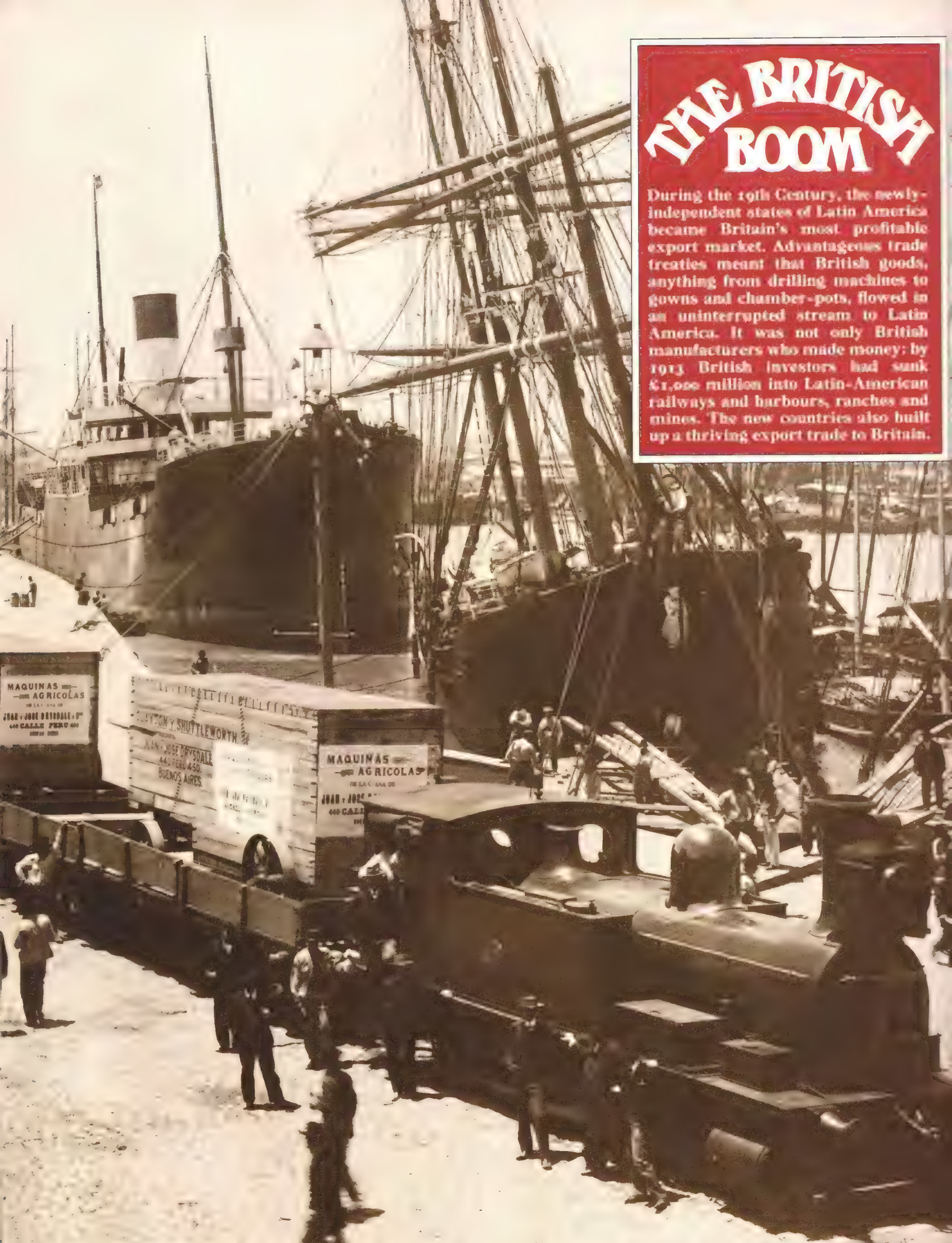
These communities were composed primarily of merchants, bankers, shippers, railway magnates, contractors, civil engineers and the managers, office staff and technicians of the British-owned public utilities and railways. Outside the major cities, the managerial, administrative and technical staff of British-owned mines in many parts of the continent were also predominantly British. And in Argentina the British were even found on the land.

In the middle years of the 19th Century, many Scots and Irish took to sheep farming, some of them acquiring immense tracts of land with flocks totalling between 50,000 and 200,000. With the collapse of the international wool market in the 1860s, however, many returned home, while those who stayed, one British consul reported, succumbed to "the vice of drink . . . [and] sank to the lowest depths of degradation."

Those who bought cattle *estancias* and introduced improved livestock and new breeding methods – the British brought the shorthorn and the Aberdeen Angus to Argentina – were luckier. In the 1880s and early 1900s they made immense fortunes. The British minister in Argentina calculated in 1914 that the British owned nine million acres with a nominal value of £13 million. *The Times* estimated British land and stock in Argentina to be worth over £50 million. Sir David Kelly, who as a young man was secretary at the British legation in Buenos Aires just after the First World War, has recalled seeing a private list of between ten and 20 individual British fortunes in land and capital running into millions of pounds.

THE BRITISH BOOM

During the 19th Century, the newly-independent states of Latin America became Britain's most profitable export market. Advantageous trade treaties meant that British goods, anything from drilling machines to gowns and chamber-pots, flowed in an uninterrupted stream to Latin America. It was not only British manufacturers who made money: by 1913 British investors had sunk £1,000 million into Latin-American railways and harbours, ranches and mines. The new countries also built up a thriving export trade to Britain.



In the bustling port of Buenos Aires dockers unload a cargo from British factories on to a train destined for the distant pampas.

An Insatiable Market

The buoyant British manufacturers of the 19th Century gleefully moved in to the vast, untapped market of the new states of South America. They supplied the domestic needs of virtually the entire continent, from crockery and kettles to cutlery and clothing. One importer of textiles regularly made more than 400 per cent profit on his outlay. The British consul in Buenos Aires observed of the *gaucho* – the South American cowboy – that, "if his wife had a gown, ten to one it was made at Manchester; the camp kettle in which he cooks his food, the earthenware he eats from, his poncho, spurs, bit, all are imported from England." Most favoured nation treaties made the flow of goods even smoother.

It was not only goods that Britain exported, but her technical expertise – as long as there was a profit to be made. Her products lit cities and built bridges and ports. In Argentina, British engineers built the railways and ran the trains – all without risk, for the Argentinian government guaranteed them at least a seven per cent profit.

British contractors installed street lights like London's in Rio de Janeiro.

The busy harbour of Santos is linked to the rich coffee highlands by a British-built railway, the best paying in South America.

British civil engineers designed and erected fine railway bridges, like this one spanning a gorge in São Paulo, with imported British steel and technical know-how.

The railway station at São Paulo, built to British design, brings echoes of Big Ben and the Houses of Parliament to this thriving Brazilian city.

Treasure Pampas

Britain not only invested and built in Latin America: she also bought from the newly-independent countries.

It was often hard for the Latin-American states to sell their goods – they had to compete against Empire produce: Brazil's sugar, for example, was kept out of Britain for years by tariffs that aided West Indian sugar.

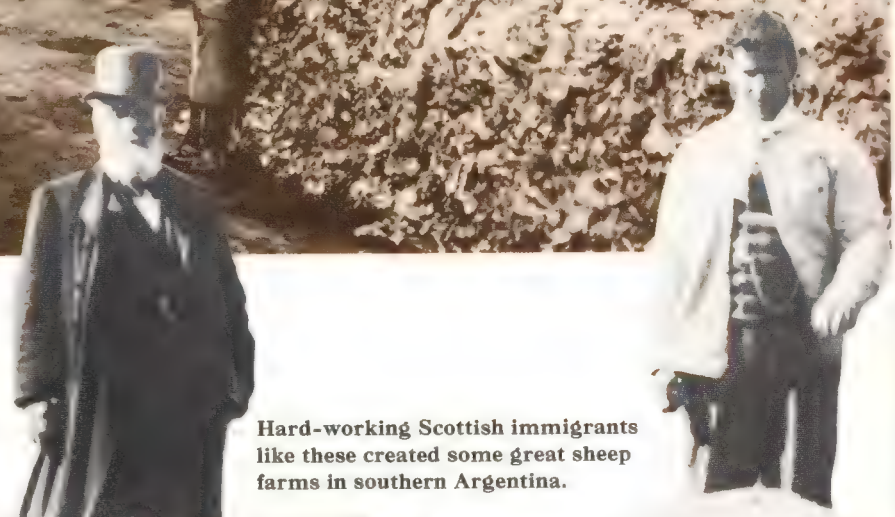
The principal exports were wool (until the better Australian and New Zealand clip ousted it), hides (until cheaper leather from India and South Africa made them uneconomic), cereals and, once refrigeration made it possible, best-quality beef. Argentina raised her exports of beef and cereals to Britain fourfold from 1880 to 1913, making herself a more valuable supplier than any of Britain's Dominions.

Argentina was well suited for the production of beef with her millions of acres of *pampas*, rolling plains of long grass. Here the Argentinian cowboy, the *gaucho*, cared for the cattle, dried the hides and fought the Indians. But, the true *gaucho* started to disappear in the 1880s when refrigeration brought a new appreciation for high-quality beef and ranchers began to fence in their land. Only enclosed farms, a proportion of which were financed with British capital, could survive when there was no longer any demand for the lower-quality open-range stock.

These hides drying in the hot sun in an Argentinian tannery were transported to boot and shoe factories in Britain, until they began to be ousted by cheaper hides from the Empire.

Scores of champion thoroughbred bulls like this Clydesdale from Scotland were shipped to British-owned ranches in Argentina.

Bales of top-quality wool from the great sheep farms of southern Argentina lie in a vast warehouse in readiness for shipment to Britain.



Hard-working Scottish immigrants like these created some great sheep farms in southern Argentina.

III. The English Century

Besides the middle-class British who prospered in Latin America during the 19th Century, there were also small communities of skilled workmen who settled throughout the continent under contract to British-owned concerns. The 250 British engineers, carpenters, moulders and fitters employed by the Pacific Steam Navigation Company in its repair works and factory at Callao were provided with "comfortable lodgings on the company's premises," a theatre for amateur dramatics, concerts and weekly meetings of the Mutual Improvement Society, a "most commodious hospital," an Episcopalian clergyman paid for by the company, and an "unlimited quantity of the best quality provisions, consisting of soft bread baked on the premises, beef from bullocks bred in Chile, mutton ditto, vegetables, puddings . . . and all the condiments on the dinner table of the middle classes in England."

The experience of the British working-class emigrants who tried to found agricultural colonies in Latin America was less happy. Despite many attempts, both state-financed and private, to encourage colonization, the only successful example is that of the Welsh in Argentina.

The Welsh Emigration Society had for some time been looking for an isolated spot where Welsh language, culture and Nonconformity could be preserved. After rejecting California, British Columbia and Australia, the Society alighted upon Chubut, in north-east Patagonia, 800 miles south of Buenos Aires. The first 150 colonists landed, singing hymns, in July, 1865. The colony survived the first difficult years, partly because of the spirit and determination of the colonists, but mainly because of the support given by the British community in Buenos Aires and by the Argentinian government, which was anxious to settle the uncultivated south. By the mid-1870s the colony was well established and in 1889 the Welsh were sufficiently encouraged to form a second colony – the Colonia 16 de Octubre – in the foothills of the Andes.

But by the turn of the century Chubut was no longer an exclusively Welsh province and the Argentinian government was increasingly "interfering" in its affairs. In 1902, when the Welsh had unsuccessfully petitioned the Colonial Office in London for the annexation by Britain of Patagonia, several hundred colonists emigrated to Canada. Today, although less than 10 per cent of the province's population of 150,000 is of Welsh descent, Chubut still retains much of its original Welsh character.

The Welsh experience in Patagonia was unique. Elsewhere, the history of British agricultural colonization in Latin America - colonies were established and failed repeatedly from the 1820s to the 1890s – is one of unbroken disaster. British emigrants to Argentina, reported a mining

engineer, Sir Francis Head, in 1826, "passed their days in disappointment and regret." Many, another report suggested, had drifted into "demoralizing idleness and drunkenness."

The reasons for these consistent failures are not hard to find. First, too many of the British colonists were not land-hungry peasants and small farmers, nor even artisans, but urban slum dwellers with no previous agricultural experience. They were, in the view of the British vice-consul in Buenos Aires, "the scum of the streets of towns in Ireland."

Secondly, they failed to adjust to a marked and abrupt deterioration in their standard of living. For most, life in their new homeland meant a wretched diet of beans and dried meat and living conditions worse even than those from which they had come. On reaching Buenos Aires, new arrivals were lodged in the "Immigrants' Hotel," a large wooden shed where over 5,000 at a time were crammed into a space suitable for no more than 2,000.

Thirdly, in Brazil at least, disease periodically reduced the colonists' numbers and undermined morale. Fourthly, the colonies were usually poorly located, far away from available markets and in general inefficiently and often corruptly managed.

Of the hundreds of successful agricultural colonies in Brazil and Argentina in 1900, only two – the Welsh at Chubut and 16 de Octubre – were essentially British. It should be remembered, however, that no more than three per cent of the total number of immigrants to Latin America before the First World War came from Britain. The great flood of working-class people seeking a new way of life beyond the shores of Britain was carefully directed by emigration officials, not to Latin America, but to the United States and to territories within the Empire: Canada, Australia, New Zealand and South Africa.

As a result, British communities in Latin America remained almost entirely middle-class and, in keeping with their 19th-Century business origins, grandly old-fashioned. "The Englishman in Latin America," wrote one observer in 1913, "is still to a certain extent a 'milord.' He comes for great enterprises; his pockets are overflowing with silver, which he is supposed to dispense liberally. . . . The lower-class Briton is rarely encountered."

Most of these communities remained small. In the 1890s, for example, the British numbered 2,500 in Montevideo, 1,500 in Rio de Janeiro and only several hundred in São Paulo (where, around 1886, a group of Englishmen, organized by Charles Miller, the agent of the Royal Mail Lines, introduced soccer to the Brazilians).

In Chile and Argentina, however, there

The horse-drawn trams, loaded up with passengers from the railway terminus, are a sign of the wealth brought to the Peruvian port of Iquique by the nitrate industry.

were large numbers of Britons of whom many intermarried with the local élite and founded great Anglo-Chilean and Anglo-Argentinian families of businessmen and financiers, and, later, industrialists. By the 1860s there were already 4,000 British in Chile and by 1900 there were 11,000, if first-generation Anglo-Chileans are included. Valparaiso, where commercial transactions were conducted in pounds sterling and one of the leading newspapers was the English-language *Chilean Times*, was, in the words of one American, "nothing more than an English colony."

In Argentina the British community expanded from some 4,000 in the 1820s to between 20,000 and 30,000 in the 1890s. There were an even larger number of Anglo-Argentinians who were more British than Argentinian – 5,000 "Anglos" volunteered for the British forces in the First World War. Several thousand British subjects lived on the *pampas*, but most were concentrated in Buenos Aires. There they formed a self-sufficient and virtually independent community, living almost exclusively in garden suburbs like Hurlingham, 35 minutes by train from the city centre. They had their own schools, hospitals, churches, sports and social clubs – Hurlingham boasted not only cricket and polo grounds but a racecourse as well. They were served by two daily newspapers, the *Standard* and the *Herald* (the *Herald* still exists today).

They employed British lawyers, doctors and architects. They shopped at the local branch of Harrods and ate at the Victoria Tea and Luncheon Rooms, which offered "Porridge at 7.30 a.m.," "a good cup of Tea served instantly" and "English cooking and attendance in the real home style." They took their holidays in hotels owned and staffed by British railway companies. They came and left the country freely and retired to England, if and when they wished, with their capital intact and the certainty that their incomes or pensions would be remitted as speedily as if they had simply moved from London to Suffolk.

From 1914 the British community in Argentina entered a slow decline, though even after the Second World War when the British had become the focus of nationalist hostility and most British enterprises had passed into Argentinian hands, there remained almost 11,500 British residents in the country – easily the largest and most prosperous British community outside the British Empire and Commonwealth.

This remarkable British colony, throbbing with life in the very capital of a foreign country, aptly symbolized the whole British involvement with Latin America. By an irony of history, Buenos Aires, whose name spelled disgrace to the British nation in 1807, came to embody all the commercial aspirations which had driven Britain to risk military adventure in the first place. In Argentina and across the continent, the British obtained the fruits of Empire without the burdens.

In enriching themselves, they profoundly altered the face of Latin America. Bankers, merchants, engineers, mine-owners, landowners, managers, technicians, skilled workmen – all played a crucial part in the modernization of cities and ports, the growth of transport systems and the development of agriculture and mining. At the same time, they helped to increase the wealth and therefore the power of the Latin-American landed and commercial élites with whom they associated. In some ways they obstructed a more diversified and broadly based national economic development in Latin America.

In 1914, Britain's financial and commercial relations with South America, especially Argentina, Brazil, Chile and Uruguay, were closer than ever. But already she was conceding her pre-eminence in Mexico, Central America and the northern part of South America to the United States. After the First World War, she began a retreat from the whole continent which was accelerated by the Great Depression of the 1930s. By the end of the Second World War, the United States had clearly emerged as the dominant force – economic, political, ideological – in Latin America. British supremacy had become a memory of the 19th Century still remembered in much of Latin America as the "English Century".

The earliest British Embassy residence in Brazil, in the hills outside the city of Rio de Janeiro, stands as a magnificent memorial to the "English Century."

Late Georgian,. evening dress, 1800